

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 FMC-01 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 CG-00 DLOS-09
OES-07 L-03 /046 R

DRAFTED BY EB/TCA/MA:JAPURNELL:EW
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FMC:TCHRISTENSEN
ARA/ECP:DTAHER
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-----010655 300129Z /75
R 291800Z JUL 77
FM SECSTATE WASHDC
TO AMEMBASSY MONTEVIDEO

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E.O. 11652:N/A

TAGS: EWWT, UR

SUBJECT:URUGUAYAN CARGO PREFERENCE LAW

1. U.S. SHIPPING LINE HAS PROVIDED DEPARTMENT AND FEDERAL MARITIME COMMISSION (FMC) WITH SPANISH AND ENGLISH COPIES OF URUGUAYAN LAW 14650, WHICH WAS APPARENTLY APPROVED BY THE COUNCIL OF STATE MAY 4, 1977, AND PUBLISHED IN THE OFFICIAL GAZETTE MAY 23, 1977.

2. THE LAW RESERVES ALL IMPORT CARGO TO URUGUAYAN-FLAG VESSELS. HOWEVER, WAIVERS MAY BE GRANTED TO FOREIGN-FLAG VESSELS PROVIDED, FIRSTLY, THAT URUGUAYAN-FLAG VESSELS ARE NOT AVAILABLE AND PROVIDED, SECONDLY, THAT THE VESSELS BELONG TO FOREIGN-FLAG SHIPPING LINES WHICH ARE PARTIES TO CARGO-SHARING AGREEMENTS WITH URUGUAYAN SHIPPING

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COMPANIES WHICH HAVE BEEN APPROVED BY THE MINISTRY OF TRANSPORT AND PUBLIC WORKS.

3. THE LAW ALSO PROVIDES THAT THE GOVERNMENT WILL ESTABLISH TAX REBATES FOR EXPORTERS WHO SHIP ON URUGUAYAN-FLAG VESSELS.

4. EMBASSY REQUESTED TO REPORT ON HOW GOU PLANS TO IMPLEMENT THIS LAW, PARTICULARLY THE GRANTING OF WAIVERS TO FOREIGN-FLAG CARRIERS FOR IMPORT CARGO, AND OF THE REBATES TO EXPORTERS.

5. FYI: THIS LAW APPEARS TO BE HIGHLY DISCRIMINATORY ON ITS FACE, BUT THE DEPARTMENT AND THE FMC ARE MORE CONCERNED WITH HOW IT IS APPLIED IN PRACTICE IN THE U.S. FOREIGN TRADE. THE FMC IS EMPOWERED UNDER SECTION 19, MERCHANT MARINE ACT, 1920, TO TAKE A WIDE RANGE OF COUNTERVAILING MEASURES AGAINST SHIPPING LINES THAT BENEFIT FROM DISCRIMINATORY FOREIGN LAWS. BEFORE THE FMC CAN TAKE SUCH ACTION, HOWEVER, IT MUST HOLD FORMAL INVESTIGATIONS IN WHICH ALL PARTIES MAY BE ASSISTED BY LEGAL COUNSEL. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARINE CARGO, LAW, IMPORTS, SHIPS, TRADE DISCRIMINATION
Control Number: n/a
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Sent Date: 29-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: JAPURNELL:EW
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Handling Restrictions: n/a
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